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Dutch Owner to Sell Russian Telecoms Firm Vimpelcom

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Sergei Vedyashkin / Moskva News Agency

The Dutch firm that owns Russian telecoms operator Vimpelcom will sell its Russian operations, the company announced Wednesday, reportedly due to the growing complications of Western sanctions.

Vimpelcom, which operates popular Russian phone and internet provider Beeline, has been owned by Netherlands-based multinational Veon, formerly Vimpelcom Ltd., since 2009.

Veon is now "conducting a competitive sales process in relation to its Russian operations," the company said in a statement published Wednesday.

"Veon's management is currently exploring options in an effort to ensure that an optimal outcome is achieved for all relevant stakeholders," the statement added.

Vimpelcom has recently been hit with regulatory restrictions — including losing out on access to Russian state contracts — due to its Dutch shareholder, sources at the company told the

Kommersant business daily.

Kommersant's sources said Veon plans to hand over control of Vimpelcom to the Russian firm's top management in a move to avoid possible Western sanctions and meet regulatory requirements.

Vimpelcom comprises more than half of Veon's revenue and earnings.

Veon is the world's 13th-largest mobile network operator. Its shares rose 12.5% on the news its plan to sell its Russian assets.

Veon is one-quarter owned by Letter One Holdings, whose Soviet-born founders and one of its board members were hit with Western sanctions this spring following Russia's invasion of Ukraine.

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